

SPOILS SYSTEM WILL KILL HARDING PLAN OF REORGANIZATION

Politicians, In and Out of Cabinet, Combat His Economy.

FINAL EFFORT TO-DAY

Meeting Called of Commission Named to Cut Official Red Tape.

CLASH ON ARMY AND NAVY

Disinclination to Surrender Present Privileges Is the Main Drawback.

By LOUIS SEINOLD.
Special Dispatch to THE NEW YORK HERALD.
Washington, D. C., Dec. 13.

President Harding will make a final attempt to-morrow to put into effect the plan favored by him for the reorganization of the Government on a more scientific and economic basis. He has called a meeting of the commission appointed by him at the White House to present his plans for cutting departmental red tape, coordinating the Government machinery and reducing the cost of its operation. A conflict of views among members of the Cabinet, who are reluctant to surrender privileges guaranteed by existing laws and the intrusion of political opposition due to patronage ambitions will render the President's task difficult. The reorganization of the Government on a scientific basis has been the ambition of the Presidents for the last twenty years.

Roosevelt's Effort Recalled.

President Roosevelt made a determined effort to induce Congress to sanction the remodeling of the laws governing the control of several departments, but to no avail. The present indications are that President Harding will not fare any better in his renewed effort at the undertaking. There is a strong prospect, according to Congressional leaders, for the immediate passage of any reorganization measure. The President has made an earnest and persistent effort to iron out the differences between the members of his Cabinet over the proposal to define more clearly the functions of the departments, eliminate overlapping agencies, reduce the personnel to a legitimate business basis, free from political influence, and bring about a saving in the administration of the Government of from \$100,000,000 to \$200,000,000.

The reorganization plan which a committee appointed by the President has been preparing was one of the first matters to which Mr. Harding directed his attention after entering the White House twenty-one months ago. He had prepared a statement revealing the intricacies and inadequacies of the present system and submitted it to Congress. He asked authority to create a commission to undertake the tremendous task involved. That authority was given to him in May, 1921. The President then appointed a commission composed of six members representing both parties of the two houses, with a civilian chairman.

Makeup of Commission.

For chairman the President selected Walter S. Brown, a personal friend and Ohio politician, and a man of conspicuous business ability. The Congressional members were Senators Smoot and Wadsworth, Republicans, and Harrison, Democrat. The House was represented by Mr. Keeney of Pennsylvania, Mr. Temple of Pennsylvania, Republicans, and Mr. Moore (Dem., Va.). The commission held two or three meetings at the White House and at the President's suggestion authorized Chairman Brown to prepare a plan for the complete overhauling of the Government machinery and the substitution of a more modern and efficient plan. This authority was given to Mr. Brown, who has spent many months in trying to win the cooperation and indorsement of the members of Mr. Harding's Cabinet to the changes proposed by him. Mr. Brown encountered opposition from the start, not only from members of the Cabinet but from members of Congress who clearly reflected their opposition to the feasibility scheme, worked out by him for reasons largely, or in fact, solely, political.

On many occasions he met obstacles that related the force, logic and reason of his recommendations and was compelled to appeal to the President. The exact terms and scope of the plan worked out by Mr. Brown are now before the President and he will present them to the commission to-morrow with an appeal for the acceptance and incorporation of them into legislation. Most of the opposition to the reorganization plans framed

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'JAYWALKER' CRUSADE IS STARTED TO-DAY BY POLICE

Twelve Lieutenants Open Safety Campaign in Several Public Schools—Death Corners to Be Watched—Urge Cooperation of Truck Owners.

The Police Department will start its first campaign against jay walking at 8 o'clock this morning, when twelve lieutenants in uniform will go before the school children in various sections of the city and deliver a lecture on the dangers of cutting across streets diagonally. Later they will address business men who operate fleets of trucks and urge their cooperation in the campaign. Ordinances against this sort of thing are in force in many of the large cities of the United States, but every effort to pass similar laws in New York have been laughed at, traffic experts declaring that the crowds are so great and traffic conditions so difficult that they cannot be enforced. Barron G. Collier,

Special Deputy Police Commissioner, in charge of the Bureau of Public Safety, believes, however, that something can be accomplished by pointing out the danger of jay walking to the children. The official name of the new movement is "Make New York a Safer Place to Walk In." The school children will be told of the special dangers in attempting to steal rides on trucks and hitchhiking on behind with carts, roller skates and bicycles. The police lieutenants will make reports as to danger spots in the street and suggest improvements, and "death corners" where accidents are frequent will be watched and provision made for handling traffic with more safety at these points.

KLAN'S HUGE GRAFT TOLD BY GOV. ALLEN

Private Hatreds and Bigotry Wrapped in American Flag and Sold for \$10.

MANY HONEST DUPES IN IT

Says Religious Intolerance Is Spreading to Dangerous Extent in Kansas.

A commercially profitable venture pouring millions into the pockets of its organizers and cloaking the private revenge and bigotry of members and non-members alike—such was the description given to the Ku Klux Klan yesterday by Gov. Henry J. Allen of Kansas, who is stopping at the Hotel Astor on his way to attend the conference of Governors to be held at White Sulphur Springs. "The Klan owes its rapid spread to its admirable salesmanship," said the Governor. "It has three distinct appeals, that of the old A. P. A. plus the antipathy to the negro, plus the antipathy to the Jew, with all three wrapped up in the American flag, declaring itself 100 per cent. American and sold for \$10, of which the organizer gets \$4 and officials in Atlanta \$6. In addition to this they furnish a cheap cotton robe and hood costing \$2.35 and sold for \$4. If it is true that they have an organization numbering 9,000,000 somebody must be cleaning several millions of dollars in profits. It is indeed a reflection on brave and intelligent Americans who will allow themselves to be exploited at \$10 a head.

"In my State the thing has gone beyond a laughing matter. Every day my mail is choked with letters from people who have received threats—pitiful letters from poor people so frightened they know not what to do. Every one who has a private grudge is using the Klan to scare his enemy. Bigotry and religious intolerance are rife. Pupils where once was preached the brotherhood of man now thunder denunciations against each other, and neighbors who in years gone by lived in peace and harmony now hate each other with a hatred which passes understanding. And they say that all this is the aftermath of a feeling engendered by the war.

"In Kansas we have brought the matter to the Supreme Court of the State, and if we are successful it means that we shall succeed in denying the Klan the right to do business in the State. In bringing this action we had great difficulty in locating the officials of the Klan, but finally summoned between 100 and 200 of them. If the Supreme Court upholds the right of the State Charter Board to deny the Klan a charter we shall cripple them, for then they cannot do business legally.

"My own objection to the Klan lies in the fact that it is not a secret but a clandestine organization in which the possession of masks encourages lawlessness. As to the lawlessness we have at least two instances. Under the Klan the Klan has fallen into the hands of the rough element, just as it did in the South. This has already been demonstrated in Oklahoma and in Kansas.

"There is no doubt that many excellent men have joined the Klan from misdirected zeal. In New Orleans a Jew was recently directed against the Jewish element. In other parts of the South the object is the negro. In Kansas it is the Catholic. I myself have been branded by the Klan as a Catholic and all of my family, Catholic. They must have been somewhat surprised when they discovered that I am a Methodist, a thirty-second degree Mason, and a lot of other things which a Catholic cannot be.

Gov. Allen was asked about his Industrial Court and replied that he thought it had made distinct progress. At the last meeting of the Uniform State Law Commission, he said, the principle of the Kansas labor court as the best method of settling controversies in industry had been unanimously indorsed as the best method of settling controversies in industry.

FATHER OF 4 IN PLACE WOMAN COULDN'T RENT

Landlord Acquitted of Charge He Barred Children.

NEW PLAN KILLS OFF TICKET SPECULATORS

Producing Managers Vote to Establish Central Agency Like Railroads.

CHARGE TO BE TEN CENTS

Selling Branches to Be Scattered All Over City and the Suburbs.

The Producing Managers Association at a meeting yesterday afternoon voted overwhelmingly in favor of a plan to curb the ticket speculation evil by establishing a central ticket agency similar to the consolidated offices of the railroads. This action upheld the minority report of the board of directors and rejected the majority report. The latter report received a large majority of votes from the board of directors last week, but won only two votes yesterday in the general meeting.

This vote is practically final, though more elaborate details will be worked out by the committee in charge and presented soon for ratification at another meeting. Lee Shubert, A. L. Erlanger, Edgar Selwyn and Sam Harris have been on the committee. The proposal of a central ticket agency has been agitated for some time among the managers, and at one time some of the most ardent advocates of limiting the ticket speculators, such as William A. Brady, despaired of any definite decision.

The plan does not necessarily mean that the proposal of Joseph Leblang, who runs a cut rate agency, to conduct this centralized bureau personally will be adopted. Such details will be left to the committee, though it may be possible that Leblang may be connected with the bureau. An advance of 10 cents will be charged on the box office price of all tickets at the agency, to defray the cost of the overhead.

The alternative plan adopted earlier by the committee was submitted by John McBride of McBride's agency and William J. Fallon of Tyson's agency. This called for the sale of tickets through the theater box offices and the existing agencies, the agencies to be regulated by the theaters through contracts which would prohibit them from charging premiums in excess of 50 cents, from discriminating for or against plays by pushing ticket sales of one against the other and by refusing to sell tickets out of the agencies, placing them on sale on commission instead.

In the discussion of the two plans submitted it developed that the sense of the meeting was that a central agency would be set for all theaters could be purchased at an advance of 10 cents over the box office price would meet with the needs of the public better than an attempt to regulate the present system.

The restoration of the box office was suggested, but it was agreed that modern ticket conditions had made shopping for tickets among the theaters almost impossible. The box office will be maintained for the sale of tickets at performance time, but at all other times tickets will be disposed of through the central agency and its branches. Under the plan now in contemplation these branches will be scattered not only throughout the city but in the suburbs as well.

The question of speculators buying up the tickets for the successful production in the central agency and reselling them at fancy prices was brought up, and while it was admitted that this evil might continue for some time, the belief was expressed that the proposed plan would in large measure eradicate it and that shortly after its adoption it would be reduced to a negligible minimum.

Thirty of the fifty-three members of the organization were present, representing practically every legitimate theater in the city. Lee Shubert and A. L. Erlanger, who control the majority of legitimate theaters in New York, favored the central agency plan. Mr. Shubert advocated its adoption and said he had authority to voice the approval of Mr. Erlanger, who is on the Pacific coast.

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UNION CHIEF RUSHES AT BUILDING LEADER IN BIG PEACE PARLEY

Truce Endangered in Construction Business at Lockwood Meeting.

FRIENDS PART PAIR

Price, Accusing Norman of Trying to Block Agreement, Makes Threat.

INTERMYER TAKES PART

Asserts Employers Representative Tamed With Three Locals.

Peace in the building trades seemed seriously threatened for a few moments yesterday afternoon at an acrimonious hearing of the Lockwood Committee in City Hall.

Walter V. Price, international representative of the bricklayers, rushed at C. G. Norman, chairman of the employers, who had led the stand, where he had been branded "the stumbling block of the building industry" by Samuel Untermyer, committee counsel. Reaching Mr. Norman as he stopped at the counsel table to expostulate with Mr. Untermyer, Mr. Price interrupted and shaking his finger in Mr. Norman's face, shouted: "You've been the black eye of the building game long enough! If you're going to block this agreement—if you want to start a fight—you'll have a light on your hands you'll never forget!"

Sadness as Quiet Is Restored. Senator C. C. Lockwood, chairman, and Mr. Untermyer finally made themselves heard and restored order. Mr. Norman and Mr. Price returned to their respective desks without more ado—to the frank disappointment of plumbers, bricklayers, plasterers and painters who crowded the Aldermanic chamber.

The Donnybrook twist given to the proceedings was led up to by testimony that Mr. Norman had been tampering with three concrete workers' locals, survivors of the disbanded Independent Bricklayers' Helpers and Building Laborers' Union of America, to prevent their making the Lockwood committee's peace plan in 100 per cent. effective. Business agents of the three groups, Mr. Untermyer charged, had been "induced" by Mr. Norman to resist benevolent assimilation by the International Labor Union of North America, which bears the American Federation of Labor hall-mark and go it alone. Threat of withholding a contract was the club Mr. Untermyer showed Mr. Norman held over their heads.

"Don't you see you are going to precipitate a building strike," declared Mr. Untermyer, "if you persist in this attitude. Suppose these three unions go to work not belonging to any other union—don't you see that the bricklayers and the bricklayers' helpers won't work with them?"

Norman Accepts the View. "Yes," answered Mr. Norman. "What is going to happen then?" "I guess the bricklayers will have some trouble on their hands," stated the builders' head flatly.

"You think that the bricklayers and the bricklayers' helpers of the International Labor Union of North America will have some trouble on their hands?" "You think that the bricklayers and the bricklayers' helpers of the International Labor Union of North America will have some trouble on their hands?" "You think that the bricklayers and the bricklayers' helpers of the International Labor Union of North America will have some trouble on their hands?"

"No. The trouble is that you are digging into something you don't understand!" Mr. Norman referred to the recent arbitration agenda as "a farce." Chairman Lockwood observed: "You didn't help us much."

He then agreed he had recommended Walter Gordon Merritt, attorney, who had obtained the temporary injunction restraining bricklayers and mason builders from interfering with a contract the latter had given the independent workers.

Dismissal of this suit was believed to depend in a measure upon 100 per cent. absorption of the union lest any remnant remain potential party to the action. Mr. Norman also suggested having "advised" the injunction four months since, but as to whom Mr. Merritt was to present a bill Mr. Norman would not commit himself.

Norman Points Out Obstruction. "Are you still seeking to prevent these cement helpers' unions from going into the international?" fired Mr. Untermyer. "They will never get an agreement with their employers if they join," he returned.

Mr. Norman denied he was "back of the whole row," however, and placed the responsibility upon Walter V. Price and other bricklayers, whom Mr. Price began to manifest the restlessness that later drove him to the dais. When Mr. Norman was asked his objection to

Import Duties Bar Gifts of Sea Born Police Dogs

WILLIAM ISON, second engineer of the freighter City of Alton, plying between Bremen, Galveston and this port, adopted Marcella, a German police dog, the last time his ship was in Bremen. On the way over Marcella gave birth to six little sea dogs. Ison decided to bring them ashore recently and give them away and learned that even ocean born dogs are classed as imported animals and that he would have to pay a duty of about \$3 a pup, which was too expensive for the engineer. Now, as Byron remarked, their "bark is on the sea." Ison will make his puppy Christmas presents in Bremen.

RUM CREW REVOLTS; TOSSES CARGO IN SEA

Biggest Bermuda Whisky Runner Loses Large Part of \$1,700,000 Load.

MEN SHORT OF WATER

Mutiny Began to Brew When Syndicate Failed to Provide Landing Place.

Angered at the inability of a New York bootlegging syndicate to provide means for discharging a cargo of 17,000 cases of Bermuda whisky, valued at \$1,700,000, and over the shortage of water and provisions, the crew of one of the largest vessels in the liquor flotilla mutinied seven miles off the Long Island coast Tuesday and dumped a large portion of the contraband cargo into the ocean, according to reports received yesterday by Frank J. Hale and James R. Kerrigan, chief intelligence officers for the Prohibition Enforcement Department.

The vessel, piloted by a skipper from Boston, has for several days been anchored in the liquor camping ground in the offing from Freeport. Provisions were to have been sent out to her, but small boats employed by the owners of the cargo were unable to run the dry navy blockade. The vessel is one of the best known rum runners in the business. She has brought many cargoes of Bermuda whisky into Long Island ports.

"The whisky ship now is speeding back to the Bahamas," said Mr. Hale. "Most of her cargo was thrown into the sea by members of the crew, infuriated because they apparently were marooned seven miles from land with but few provisions and very little drinking water. Efforts were made by the owners of the whisky cargo to get supplies out to the vessel, but our Bahama operatives had advised us that this 'mother ship' was laying off the coast and we kept a close watch to prevent small boats from going out to her.

"Radio instructions to the skipper of the craft, evidently were misunderstood and instead of plying into the New Jersey coast, the vessel clung to waters off the Long Island coast, believing that operations of the prohibition navy soon would be shifted to New Jersey, thus leaving a clear coast on Long Island. The vessel is the largest craft running liquor between the Bahamas and New York. She has earned hundreds of thousands of dollars for the syndicate that operates her.

"Fishing craft may be ordered by the whisky syndicate to make efforts to retrieve the overboard liquor from the wrecked vessel. The dry navy is in close touch with the operations of the owning syndicate and if there is a possibility of raising the dumped whisky I am certain the owners will attempt to do so."

"The American coast guard is the second instance of flagrant piracy to be reported among vessels in the whisky armada. A seagoing tug, for which the coast guard service and naval airplanes made a futile search in late October, was reported by Federal officials to have been kidnapped by a rum running schooner. Reports that the vessel was sunk in a collision with the coast guard cutter, which had been taken aboard the vessel, have been said for the crew of thirteen.

COL. NUTT SAYS DRUG ADDICT IS VANISHING

Contradicts Charges Narcotic Traffic Is on Increase.

Special Dispatch to THE NEW YORK HERALD.
Washington, D. C., Dec. 13.

Col. L. G. Nutt, chief of the narcotic forces of the United States, declared today that drug addiction is gradually decreasing and the peddling of illicit drugs on the decline. He denied that prohibition has had any influence on the conditions.

Col. Nutt's view is at variance with the report of Representative Volk (Rep., N. Y.) and several noted physicians who have said they believed drug addiction had nearly doubled in the last ten years and that it constitutes a grave menace to the nation.

"Contrary to popular belief," said Col. Nutt, "the drug addict is disappearing and with proper treatment and strict enforcement of the laws as to sale will be practically eradicated."

WINS \$1,000 GETTING FAT.

Railroad Must Pay Because Mrs. Caldwell Gained 215 Pounds.

LABOR AND LIBERALS BACK BONAR LAW IN OPPOSING RUHR GRAB

Approve Prime Minister's Policy to Prevent Collapse of the Entente.

AGAINST FRENCH MOVE

British Do Not Agree That Versailles Treaty Would Not Be Violated.

DEBT CANCELLATION OFF

Speakers in Lords Urge England Cannot Remit to Others and Pay United States.

Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau,
London, Dec. 13.

Prime Minister Bonar Law's statement in the House of Commons to-morrow is awaited with the keenest interest, in view of Paris reports that Premier Poincare says France, in taking separate action to enforce sanctions, will not violate the Versailles treaty nor rupture the Entente. Unless there has been a definite switch in Bonar Law's policy in the last few days, M. Poincare is likely to get from London a different interpretation.

The Prime Minister's hand was strengthened to-night when the Liberals, Asquithians and Lloyd Georgians—through Viscounts Grey and Birkenhead speaking in the House of Lords—approved his policy of opposing separate action by France. Lord Birkenhead also hoped the Government would not recommend cancellation of the French debt so long as America did not cancel Great Britain's, thereby endeavoring to revive the Balfour note, but he added more significantly that he hoped there would be no cancellation until the definite peace of Europe was in sight.

Lord Grey declared that if the coming Premier's conference in Paris on January 2 failed "Europe will take a further step toward collapse and our good relations with France will be greatly imperiled." He demanded as the price of debt cancellation the assurance of peace in Europe through ratification of the League of Nations and ratification of the Washington treaties, and he insisted that the whole questions of reparations, interrelated debts and disarmament were tied up together.

Labor Takes Same Ground.

The other wing of the opposition—labor—is violently against separate action by France. It has been the British interpretation of the question of sanctions or penalties that punitive measures against Germany can be taken only in concert. The British insist that before any such action can be taken, the Commission must declare Germany voluntarily in default. Certain officials here do not hesitate to say that the Entente will end if France takes military sanctions as the conclusion of the January 2 discussions.

M. Poincare's denial that Essen and Bochum were mentioned in the course of the conference here is taken as purely voluntary action. Poincare's denial of those names to escape when he told newspaper men of definite measures proposed by Poincare, to which Italy had refused to assent, that New York (Herald) correspondent is informed by a trustworthy source that the minutes of the conference will show many references in the discussions to the Ruhr, the "plan 13" of the French Command and the Elzyse conference of Ministers.

In the House of Lords, debating the question reparations and interrelated debts, Lord Birkenhead strongly opposed Great Britain's giving the slightest countenance to participation in any such action as was taken by the French Command and the Elzyse conference of Ministers.

While ridiculing the idea that Germany had any capacity for armed resistance, or could secretly become a military power, Lord Birkenhead pointed out that Germany was still formidable, and there were limits to the humiliations which it would be wise to put upon her.

Interrelated Debts Again.

He believed it would be extremely difficult to recommend to the British people a policy involving the payment of the reparations and the cancellation of both German reparations and European debts.

Viscount Grey disagreed with the idea that if the debt to America was paid England could not remit the European debts. Pointing out that even if England were able to recover the debts from France and Italy it would simply mean perpetuation of the present unsatisfactory position and postpone European recovery, he added: "If by remitting the European debts we could substantially promote the security and economic recovery of Europe we should be immense gainers."

Arguing the close connection between the questions of reparations and interrelated debts and disarmament, which ought to be considered as a whole, he said at the same time declared that Great Britain could not wait for France to ratify the Washington treaties before considering the question of interrelated debts. Lord Grey expressed disbelief that the statements in the French press declaring France's intention not to ratify the Washington treaties, but instead build a big navy, really represented the policy of the French Government. He thought that these rumors pointed to possible danger, and therefore he was anxious to see the European debts remitted, and he contended that the Washington treaty was the only thing that stood between the world and renewed competition in naval armaments.

CUBA, NASSAU, MIAMI-PEN.-ATLANTIC COAST LINE. Havana Special. "Florida Special" Thru service—Office 1216 Broadway, Tel. Longacre 6865-4260.

British Discriminate Against U. S. Mail Ships

Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau,
London, Dec. 13.

BRITISH competition with vessels of the United States Lines is so keen that the general post office here is refusing to send American mails on American liners. The last moment Christmas mail, which might have been carried by the George Washington from Southampton to-morrow, arriving in New York the Friday before Christmas, must await the Caronia, sailing Saturday, with little chance of delivery even in New York on Christmas day. Nor is mail being sent by the White Star Cedric, sailing to-morrow. Officials of the United States Lines here cannot explain the situation, as these ships carry mail bound not from other ports and east bound mail. If reprisals are inaugurated in New York British mail ships would suffer severely and British business mail be delayed. The transatlantic mail service, recently has almost required pre-war records of one week between date and delivery.

NAVY BILL DEMANDS SUBMARINE PARLEY

Requires President to Call Nations to New Meeting on Auxiliary Craft.

ACTION SEEMS FAR OFF

Harding Not Likely to Bring Up Soon Plan Quashed at First Conference.

Special Dispatch to THE NEW YORK HERALD.
Copyright, 1922, by THE NEW YORK HERALD.
New York Herald Bureau,
Washington, D. C., Dec. 13.

The naval appropriation bill, reported to the House to-day, contains a paragraph requiring President Harding to enter into negotiations with Great Britain, France, Italy and Japan for a further limitation in naval armaments, particularly sub-surface craft.

An agreement is sought for a restriction in the numbers and total tonnage of auxiliary combatant craft, both surface and sub-surface, and of aircraft. Unless this is accomplished, the framers of the naval bill declare the United States will be confronted with the necessity of entering on an extensive building program or else submit to a subordinate position as a naval power.

The only limitation for auxiliary combatant craft under the present naval treaty is that none shall be of more than 10,000 tons standard displacement or carry more than 8-inch guns. There is nothing in the agreement entered into at the Washington conference a year ago restricting the total tonnage any one nation may have of this type of craft, including as it does light cruisers, destroyer leaders, destroyers, submarines, fleet submarines, and the like.

New Competition Feared.

The House Committee, in reporting the naval bill, declared that other nations have strengthened their forces with this type of warship to the complete disadvantage of America. "It is the committee's information that already large programs are planned for vessels up to the maximum size permitted under the agreement and that new and larger types of sub-surface craft have begun to put in an appearance," the report said.

"In other words, competition is on again in the single direction to which the unratified agreement does not extend and if it is allowed to go on unchecked the purpose of the Washington conference is nullified. The committee, therefore, is proposing in the bill that the United States should not apply to the United States. It is the purpose of the Administration to treat them as entirely independent of one another, as far as naval armaments are concerned, and that the United States are concerned."

So that it is distinctly understood that whatever advice the Administration gives or whatever influence it wields in the discussions looking to a reparations settlement is in no way contingent on the Administration considering any cancellation or partial cancellation proposal from the Powers.

Must Refund Debt.

Settlement of reparations coupled with the unalterable determination to proceed with the funding of the foreign debt in accordance with the terms of the Washington conference, therefore be said to constitute the basic principles of American policy. For the time being at least all proposals of cancellation of part of the foreign debt to the United States are believed out of the question.

This does not mean that this Government is not inclined to be as lenient as the circumstances may require in the yearly limit fixed by Congress. However, it is possible to extend aid on the principle of graduated payments beginning at a low figure and increasing as the country's resources are gradually recovered.

J. P. Morgan was here to-day and conferred with Secretary Hughes. Mr. Morgan was among the bankers who at the discussions of feasibility of an external loan to Germany. Elihu Root, former Secretary of State, was also in Washington to-day, but whether there is connection between the present here-to-night of Mr. Morgan and Mr. Root was not clear.

The position taken by the bankers in Paris was that an external loan to Germany was out of the question so long as her resources were so heavily mortgaged

HARDING OPPOSED TO FURTHER OCCUPATION BY FRENCH ON RHINE

Allies Should Fix Total Sum Which Germany Is Able to Pay.

HIS POLICY CONSISTENT

Decided Long Ago Not to Hold Aloof From Reparations Problem.

AID AND ADVISE EUROPE

Objects to Further Military Advance Into Germany if Parley Fails.

Special Dispatch to THE NEW YORK HERALD.
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New York Herald Bureau,
Washington, D. C., Dec. 13.

President Harding purposed not to hold aloof from the European crisis over reparations does not involve a departure of policy on the part of the Administration, it was explained in official quarters to-day. The readiness of the Administration to give aid and advice to tide over the crisis and help solve the reparations tangle is consistent with the policy adopted since the matter became first acute in April, 1921, it was stated.

Neither the White House nor the State Department sees justification for interpreting the Administration's purpose as a change of policy. The reparations question has always been regarded by the President and his advisers as basic and while at no time aggressive, the Administration has always sided against extreme measures against Germany. It is because the adoption of such measures would be regarded here as fatal that the Administration is so keenly interested in the question at this time.

Reparations the Root.

The reparations question, the Administration holds, is at the root of financial trouble of Europe, and while the Administration feels that it is a matter on which the allied Powers and Germany must agree, the American viewpoint has already been presented on various occasions.

The American position is, in brief, that this country can only aid Europe after Europe has aided itself by reaching an accord on the fundamental question of how much Germany can pay. There has been no change in this position. It has been stated that until reparations are settled there is no question of aid to the question at this time.

The position of the Administration on the matter was set forth during the reparations crisis of 1921. There has been no change in this position. It has been stated that until reparations are settled there is no question of aid to the question at this time.

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